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UNITED STATES TARIFF COMMISSION

THE FOREIGN TRADE OF LATIN AMERICA



In three Parts



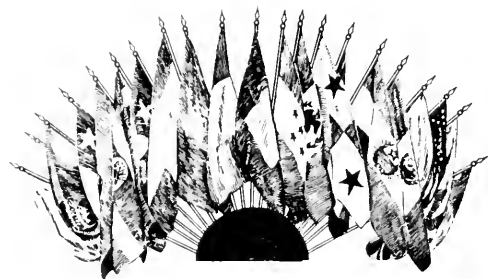
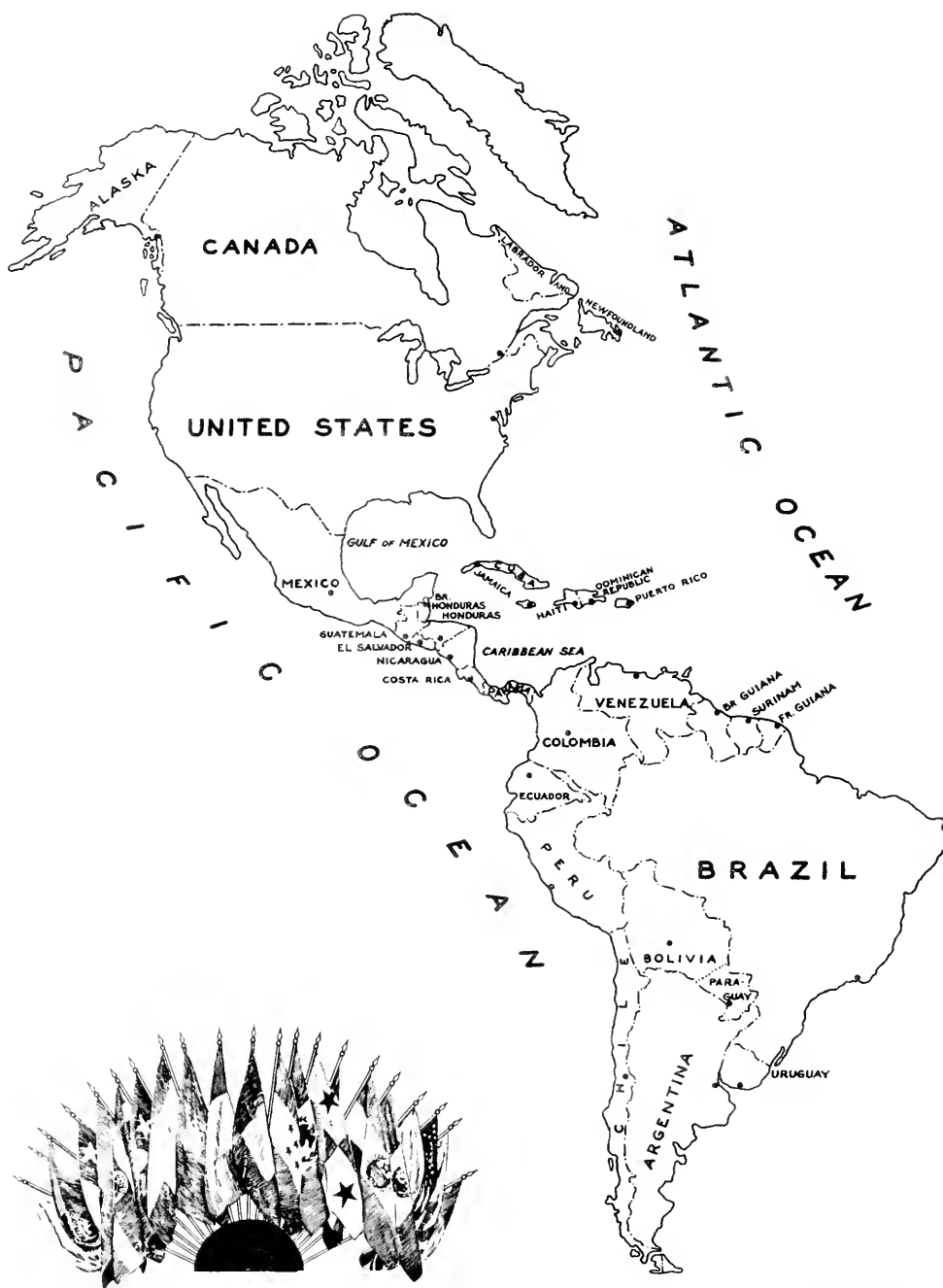
PART II

COMMERCIAL POLICIES AND TRADE RELATIONS OF INDIVIDUAL LATIN AMERICAN COUNTRIES

SECTION 20. - HAITI

Washington
1941

THE AMERICAS



UNITED STATES TARIFF COMMISSION

THE FOREIGN TRADE OF LATIN AMERICA

A report on the Trade of Latin America
with Special Reference to Trade
with the United States

Under the General Provisions of Section 332
Part II, Title III, Tariff Act of 1930

In three Parts

PART II

COMMERCIAL POLICIES AND TRADE RELATIONS OF
INDIVIDUAL LATIN AMERICAN COUNTRIES

SECTION 20. - HAITI

Washington
1941

UNITED STATES TARIFF COMMISSION

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Washington, D. C.

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FOREWORD

This analysis of the commercial policies of Haiti and its trade relations with the world and with the United States, 1929-38, is one of a series making up part II of a report by the United States Tariff Commission on the Foreign Trade of Latin America. Part I deals with the trade of Latin America as a whole, part II with the trade of individual Latin American countries, and part III with Latin American export commodities. Part I contains a short description of the Latin American area, a consideration of the commercial policies of the Latin American countries, an examination of the total trade of Latin America with the world and with the United States, and an analysis of special problems in the foreign trade of Latin America, including those arising out of the present European war. Part II, consisting of 20 sections, is a survey of the commercial policy and the foreign trade of each of the 20 Latin American republics, with special emphasis on the trend, composition, and destination of exports, and the trend, composition, and source of imports. Each section also contains an analysis of the trade of the United States with the particular country. Part III deals individually with approximately 30 selected Latin American export commodities, for each of which there is a discussion of production, exports, trade barriers, prices, and competitive conditions, and the effects of the European war.

The countries covered in part II of this report are as follows:

Section 1. - Argentina

- do. 2. - Bolivia
- do. 3. - Brazil
- do. 4. - Chile
- do. 5. - Colombia
- do. 6. - Ecuador
- do. 7. - Paraguay
- do. 8. - Peru
- do. 9. - Uruguay
- do. 10. - Venezuela
- do. 11. - Costa Rica
- do. 12. - El Salvador
- do. 13. - Guatemala
- do. 14. - Honduras
- do. 15. - Nicaragua
- do. 16. - Panama
- do. 17. - Mexico
- do. 18. - Cuba
- do. 19. - Dominican Republic
- do. 20. - Haiti

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GREAT INAGUA IS.
(BAHAMAS)

HISPANIOLA



ATLANTIC OCEAN

CUBA

PORT DE PAIX

CAP HAITIEN

PUERTO PLATA

GONAIVES

SANTIAGO

S. FRANCISCO
DE MACORIS

GULF OF
GONAIVES

HAITI

SAMANA BAY

LA VEGA

GONAIVE IS.

DOMINICAN REPUBLIC

PORT-AU-
PRINCE

CIUDAD TRUJILLO

AUX CAYES

LA ROMANA

PEDRO
DE MACORIS

CARIBBEAN

SEA

SECTION 20. - HAITI

Haiti - A Description

Physical characteristics.

The Republic of Haiti^{1/} occupies the western third of the Island of Hispaniola, or Santo Domingo,^{2/} which lies in the Caribbean Sea between Cuba and Puerto Rico. Haiti is shaped somewhat like a horse-shoe, two peninsulas extending westward from the main body of the island to form the Gulf of Gonaïves. The coast line is extremely irregular. There is a land frontier with the Dominican Republic of 193 miles. The area of Haiti, including adjacent dependent islands,^{3/} is about 10,700 square miles, or somewhat greater than that of Maryland.

Haiti is a rugged country, nearly four-fifths of the entire area being mountainous. Three principal ranges traverse the country; these are interspersed with and flanked by a number of valleys or plains of varying size. In the southeastern range, elevations reach 9,000 feet, and in the central range about 7,000 feet. In the north the mountains are lower, the highest being about 4,600 feet. The valleys and plains are very fertile, and even a substantial part of the elevated lands may be cultivated. The principal plains are the Artibonite, extending eastward from the Gulf of Gonaïves; the Plaine

^{1/} Officially Republique d'Haiti.

^{2/} The island, second largest in the West Indies, is known variously as Hispaniola, Española, Santo Domingo, or Haiti. The eastern two-thirds is occupied by the Dominican Republic (see section 19, part II, of this report).

^{3/} The largest of these is the Island of La Gonâve, in the Gulf of Gonaïves.

du Cul-de-Sac, extending inland from Port-au-Prince; the Plaine du Nord, on the northern coast near Cap Haitien; and the Central Plain, an interior plain bordering the Dominican Republic. The valleys and plains are separated by mountain ranges, making communication between them difficult, and creating, in effect, independent economic units. As a result, Haiti possesses no less than 14 seaports, each serving a valley or plain. Despite the number of ports in Haiti, however, about three-fifths of all imports and about one-third of all exports pass through Port-au-Prince.

Haiti lies wholly within the Torrid Zone, and, as in other mountainous tropical areas, its climate varies with the altitude. In the coastal regions, where the main centers of population are located, the climate is warm and equable. At Port-au-Prince the annual mean temperature is 81° F., and the daily temperature range, approximately 19°. The rainfall varies considerably in the different parts of the country; certain sections are arid while others receive heavy precipitation. Generally there are two rainy seasons, from March to May, and from September to December.

There are numerous rivers in Haiti, most of them short. Many of the stream beds are dry except in the rainy seasons. In general, the rivers are useful for irrigation, but not for navigation. The most important river - the Artibonite - flows from east to west through the valley of the same name, and empties into the Gulf of Gonâves. This river, which is navigable for about 100 miles, is not only the source of water for Haiti's principal irrigation system,

but is also of some use for transportation. There are a number of lakes in Haiti. The largest is the Etang Saumatre, east of Port-au-Prince, on the Dominican frontier. This lake, which has an area of 112 square miles, has no outlet to the sea.

About 160 miles of railroad are in operation in Haiti. The National Railroad Company of Haiti^{1/} operates lines from Port-au-Prince to St. Marc and Verrettes (87 miles) and from Cap Haitien to Bahon (19 miles). The Cul-de-Sac Railroad Company^{2/} operates lines from Port-au-Prince to Léogane (21 miles) and from Port-au-Prince eastward (35 miles).

There are approximately 1,500 miles of motor highways in Haiti, connecting all the important cities, but some of these are frequently impassable after heavy rains. The international highway from Port-au-Prince to Ciudad Trujillo, Dominican Republic, is an all-weather road.

Population.

In 1918, the year of the most recent census, the population of Haiti was 1,631,000. An estimate for 1940 placed the number of inhabitants at 2,700,000^{3/}. On the basis of this estimate, there are about 265 persons to the square mile, making Haiti the most densely populated of the 20 Latin American republics.^{4/} Large sections of

^{1/} Compagnie Nationale des Chemins de Fer d'Haiti.

^{2/} Compagnie des Chemins de Fer de la Plaine du Cul-de-Sac.

^{3/} U. S. Bureau of Foreign and Domestic Commerce, Commercial Travelers' Guide to Latin American, 1940, Part III, p. 6.

^{4/} The density of population in Haiti is about twice that of El Salvador, the next most densely populated Latin American country. The population of the adjacent Dominican Republic averages about 79 persons per square mile. Certain of the British and French West Indian Islands, however, are more densely populated than is Haiti.

the country, however, are virtually unoccupied. By far the greater part of the Haitian population is rural; the eight principal cities together account for considerably less than 10 percent of the total population.

The principal city of Haiti, its capital and chief port, is Port-au-Prince, located in the southeastern extremity of the Gulf of Gonaïves. The population of the city is estimated to be 105,000. All the other important cities of Haiti are also seaports, serving as outlets for the productive valleys and plains. The most important of these, with their estimated populations, include Cap Haitien, on the northern coast, 15,000; Aux Cayes, on the southwest coast, 15,000; Gonaïves, on the upper coast of the Gulf of Gonaïves, 10,000; Jacmel, on the southern coast of the island, 10,000; St. Marc, on the Gulf of Gonaïves, 10,000; Jérémie, on the northwestern coast of the Tiburon Peninsula, 7,500; and Port-de-Paix, on the northern coast, 7,500.^{1/}

About nine-tenths of the people of Haiti are Negroes, and most of the remainder are mulattoes. The official language is French. A large part of the population, however, especially in the rural areas, speaks a dialect based on French, but containing a large percentage of Spanish, Indian, and English words. Haiti is the only republic of the Western Hemisphere in which French is the official language, and is one of the two Negro republics in the world.^{2/}

^{1/} U. S. Bureau of Foreign and Domestic Commerce, Commercial Travelers' Guide to Latin America, 1940, Part III, pp. 204-207.

^{2/} The other is the Republic of Liberia, on the west coast of Africa.

Natural resources and economy.

Haiti is an agricultural country. Although nearly four-fifths of its area is mountainous, the numerous valleys and the several large plains are extremely fertile, and even most of the elevated lands may be utilized for agriculture. Only a small part of the Haitian area, however, is actually under cultivation. Large plantations existed during the colonial period, but, with the exception of several sugar cane, sisal, and banana plantations operated by United States interests, cultivation at present is carried on chiefly by individual proprietors on small holdings. The methods of cultivation are generally primitive.

The principal Haitian export crops are coffee, cotton, sugar, sisal, bananas, cacao, and molasses. In 1938 these seven products accounted for more than nine-tenths of the value of all exports. Other agricultural commodities exported include tobacco, cashew nuts, castor beans, cottonseed cake, honey, beeswax, and pineapples. Corn, peas, beans, rice, and manioc, as well as a wide variety of other vegetables and fruits, are grown chiefly for domestic consumption. Logwood, a wood used in the production of a dyestuff, and lignum vitae, are the most important forest products exported from Haiti.

In spite of the importance of the agricultural commodities produced in Haiti, foodstuffs until recently constituted the largest single group of imports. In 1929 they represented 35 percent of total imports, in terms of value. During the decade 1929-38, however, the proportion of Haitian imports composed of foodstuffs declined steadily, reaching 13 percent in 1938.

Coffee is by far the most important Haitian crop, and the country's chief export, accounting for about one-half of the value of total shipments abroad, which in 1939 amounted to 7.3 million dollars. Coffee was introduced into Haiti in the early eighteenth century, when that country was a French colony, and large plantations were developed. During the wars of independence at the beginning of the nineteenth century, however, the plantations were destroyed, and have not since been revived. Cultivated chiefly on the moist mountain slopes, coffee for the most part is at present grown on individual holdings by small proprietors, and indeed may be said practically to grow wild in parts of the country. Haitian coffee is of a "mild" type (*coffea arabica*), and, when properly prepared for market, commands a premium price.^{1/} Until 1936, Haitian coffee was shipped chiefly to France, but the denunciation of the Franco-Haitian commercial convention in that year was followed by the virtual loss of the French market.^{2/}

The extent of Haiti's dependence upon coffee has made the country susceptible to the disadvantages inherent in a "one-crop" economy. Moreover, prior to 1929, the lack of facilities on the part of the small coffee growers for drying, cleaning, and grading the crop resulted in a large quantity of extraneous material in the coffee delivered for export at Haitian ports. Since much of the coffee was dried on the ground, it had an earthy flavor which made it difficult

^{1/} In the trade, all coffees are roughly grouped into "Brazils" and "Milds," the latter comprising all coffees grown outside of Brazil.

^{2/} See the section on "Exports from Haiti."

to market in the United States. As a result of the conditions under which it was grown and prepared, the yield of the coffee trees and the quality of the coffee tended to decline. Since 1929, however, the Government has made efforts to improve the cultivation, drying, and grading of coffee. A system of standards and markings for export coffee, introduced in 1929, has resulted in marked improvement. To improve the flavor of the coffee, large numbers of small concrete drying platforms have been erected throughout the country.

In order to reduce the country's dependence on coffee, efforts have been made by the Haitian Government to diversify agriculture, particularly by developing an export trade in sisal and bananas, and by improving the quality of the cacao crop. These efforts and the decline in coffee prices account for the decline in the ratio of exports of coffee to total exports in the decade 1929-38.

While the conditions under which Haitian coffee has been grown have tended to diminish the value of the crop, the lack of a plantation type of organization has provided an element of elasticity in the Haitian economic structure, since the individual growers more readily adapt themselves to changing conditions. The country has thus been less susceptible to the impact of price fluctuations and changes in markets.

Cotton, which ranks second as an export crop, now accounts for more than 10 percent of the total value of Haitian exports. Haitian cotton is a small but fairly constant crop, produced principally in the dryer parts of the mountain slopes, in the plains, and on the Island of La Gonâve. The most important producing areas are in the

Artibonite and Cul-de-Sac plains. Haitian cotton is partly of the long, fine Sea Island variety, but in general it is mixed and extremely irregular in staple length. A large part of the crop is tree cotton from semiwild plants,^{1/} but some cotton is grown under irrigation. Production has declined somewhat in recent years because of the spread of the boll-weevil in certain of the producing areas. Exports, which approximate production, averaged more than 2½ thousand bales^{2/} annually in the 3 years 1936-38. In the past they have gone chiefly to the United Kingdom, France, Germany, and Japan.

The third ranking Haitian export crop is sugar, grown principally in the Cul-de-Sac and Léogane plains. In the colonial period, the cultivation of sugar cane was an important economic activity, but the sugar plantations were destroyed during the wars of independence, and production ceased to be of commercial importance. During the World War of 1914-18 production was renewed, and since then has increased rather steadily. Haiti now ranks seventh among the Latin American countries as a producer of sugar. Production in the crop years 1935-36 to 1937-38 averaged 42,370 short tons annually. Haiti also produces and exports quantities of the so-called "blackstrap" molasses, the waste or byproduct molasses obtained in the manufacture of sugar.^{3/} Production may be gaged by exports, which in the three fiscal years 1936-38 averaged 2.4 million gallons^{4/} annually.

^{1/} All cottons are perennial, but in most countries the crop is seeded annually, largely to reduce damage by insects and disease. In Haiti the cotton plants often bear for 10 years. Experiments have been made with several types of annual cotton. Annual cotton, however, is more difficult and expensive to cultivate than tree cotton, which comprises much of the Haitian production.

^{2/} Bales of 478 pounds, net.

^{3/} This molasses is used chiefly in the manufacture of industrial alcohol, and to a lesser extent as an ingredient of sweet cattle feeds and in the manufacture of yeast and vinegar.

^{4/} Gallons of 11.7 pounds.

Sisal and bananas, production and exports of which were unimportant in the 1920's, now occupy significant positions in the Haitian economy. Exports of sisal averaged but 628 thousand pounds annually in the period 1926-31; they increased to nearly 16 million pounds in 1938. Unlike coffee and cotton, sisal is grown on plantations. The principal producing area is adjacent to Fort Liberté, on the northern coast. About nine-tenths of all exports of sisal are shipped from this port.^{1/}

In 1929 exports of bananas from Haiti were negligible, and in 1932 they were small. In 1935 a United States company entered into a contract with the Haitian Government for a monopoly of the purchase of bananas for export. Some plantations were started by the company, chiefly in the Artibonite Valley, and in the vicinity of Cap Haitien and Port-de-Paix. For the most part, however, the bananas exported are grown by individual proprietors, to whom instruction in proper methods of cultivation is given. Exports of bananas, which amounted to 33 thousand bunches in 1933, increased to 600 thousand bunches in 1936, to 1.3 million in 1937, and to 2 million in 1938, when they accounted for 6 percent of all exports, in terms of value.

Cacao is largely a subsidiary crop in Haiti. Unless the price is good, the proprietors of small holdings do not gather the beans; this factor accounts for the marked fluctuations in the volume and

^{1/} Sisal is used principally in the manufacture of wrapping twine and small ropes. It is similar to henequen, which is used chiefly for making binder twine. Both are obtained from closely related but distinct species of the agave plant.

value of exports from year to year. The Haitian Government has attempted to improve the quality of the crop for marketing in the United States.

On May 5, 1941, the Governments of the United States and Haiti announced that agreement had been reached in principle regarding a long-term program of cooperation in the development of the Haitian economy. The central features of this program will be a broad plan for developing rubber; an increase in banana plantings; the planting of spices, drug plants, food plants, fiber plants, and oil-bearing plants; the improvement of Haitian cacao; the development of Haiti's forest resources; and the stimulation of small handicraft industries. The program is based on numerous surveys and on the long experience of the United States Department of Agriculture, which has already, in cooperation with the Haitian Government, established in Haiti an agricultural experiment station and breeding gardens for rubber plants. The program will also involve an addition of up to 500 thousand dollars of credits in the contract entered into in 1938 by the Export-Import Bank of the United States and a United States engineering firm. These additional credits will permit the completion of certain highway and irrigation projects and will provide adequate transportation facilities in the areas suitable for rubber and general agricultural development.^{1/}

^{1/} U. S. Department of State, Press Release No. 221, May 5, 1941.

Although cattle raising is encouraged in Haiti, there were in 1933 only 105 thousand cattle in the country. Other livestock in that year included 310 thousand goats, 350 thousand hogs, 400 thousand horses, and 650 thousand asses.^{1/} There are small exports of goat-skins and cattle hides.

The mineral resources of Haiti are said to be extensive, but are as yet undeveloped. Among the minerals occurring in the country are gold, silver, copper, nickel, iron, antimony, tin, coal, petroleum, sulphur, kaolin, gypsum, and limestone. Gold was mined during the Spanish colonial period, but since that time there has been little exploitation of the country's mineral resources.

There is little of industrial manufacturing in Haiti except that associated with the first processing of agricultural products, especially coffee, sugar, and sisal. In addition to a large sugar refinery at Port-au-Prince, there are several small factories making lard compounds, some cabinet-making shops, and some small establishments manufacturing soap, cigarettes, and bricks. Numerous small distilleries produce rum and other spirits; small quantities of rum are exported.

Statistics of foreign investments in Haiti, other than those of the United States, are not available. United States direct investments at the end of 1936 amounted to nearly 10 million dollars. Of this amount, 3.6 million dollars was invested in public utilities and

^{1/} Statesman's Year-Book, 1938.

transportation enterprises.^{1/} No data are available to show the distribution of the remainder of the investments by economic groups, but they are probably in agriculture, principally sugar, bananas, and sisal. The United States portfolio of Haitian securities in 1935 was estimated to be 9.7 million dollars.^{2/}

A law of October 16, 1935, amended January 4, 1939, prohibits foreigners and naturalized Haitians from engaging in retail trade in a number of articles, principally foodstuffs, cheap textiles, household supplies, and notions. As a result of this law, some capital was withdrawn from Haiti by merchants who found it necessary to liquidate their businesses.

For many years, under the Convention of 1915, the United States supervised the finances of Haiti, including the collection and allocation of revenues pledged for the service of the Haitian debt. Under a new treaty in 1933, United States supervision was relaxed in many nonfiscal respects, although no alteration was made in the purely fiscal control. In 1934, however, fiscal supervision was also materially modified. A Fiscal Representative was appointed to succeed the Financial Adviser and General Receiver, and the powers previously exercised by the Financial Adviser and General Receiver were transferred, subject to certain provisions, to the Banque Nationale de la

^{1/} U.S. Department of Commerce, American Direct Investments in Foreign Countries - 1936, p. 12. "Direct" investments are defined as all United States investments in those foreign corporations or enterprises which are controlled by a person or small group of persons (corporate or natural) domiciled in the United States, or in the management of which such person or group has an important voice.

^{2/} Cleona Lewis, America's Stake in International Investments, The Brookings Institution, 1938, p. 655. "Portfolio" investments are defined as equity and other security investments in foreign-controlled corporations, and investments in the security issues of foreign governments or subdivisions thereof.

République d'Haïti. It was provided, however, that until final redemption of the Haitian bonds of 1922, a majority of the board of directors of the Bank were to be United States citizens appointed by the United States from a panel selected jointly by the fiscal agents for the bonds and by the Foreign Bondholders Protective Council.

On May 5, 1941, it was announced by the Governments of the United States and Haiti that an agreement had been reached in principle to modify the Executive Agreement of August 7, 1933. It is anticipated that under the agreement eventually to be concluded, the National Bank of the Republic of Haiti will assume responsibility for the control and operation of the Haitian budget, the Haitian Government's accounting and disbursing systems, the collection of customs and internal revenue, and supervision over other financial matters. The National Bank would become the sole depository of Haitian Government funds, and would receive irrevocable orders to make no payments for the account of the Haitian State until the service of the bonds of 1922 has been provided. The Board of Directors of the National Bank would be composed of seven directors, four Haitians and three citizens of the United States. The Office of Fiscal Representative and Deputy Fiscal Representative would be abolished, and the property belonging to the organization of the Fiscal Representative would become the property of the National Bank.^{1/}

^{1/} U. S. Department of State, Press Release No. 220, May 5, 1941.

The Foreign Trade of Haiti

Exports from Haiti in the fiscal year 1938 were valued at 6.9 million dollars, as compared with imports of 7.6 million dollars.^{1/} Imports into Haiti have exceeded exports therefrom in 9 of the 15 fiscal years 1924-38 (see table 1).^{2/} The import balance in 1937 amounted to 244 thousand dollars, and in 1938 to 649 thousand dollars.^{3/} In proportion to its population, the foreign trade of Haiti is small. Exports from Haiti in 1938 were equal to \$2.60 per capita and imports to \$2.30 per capita.

Haitian commercial policy.

The Haitian tariff has three levels of rates - maximum, minimum, and conventional (below the minimum). By the law of July 9, 1926, Haiti adopted a maximum-minimum tariff, the minimum rates being subject to an increase of one-half (as maximum or penalty rates) on products of countries not according unconditional most-favored-nation treatment to Haitian products. The schedules placed in effect April 16, 1935, doubled the minimum rates to form the maximum.

Minimum rates are extended to countries which are entitled thereto under most-favored-nation agreements, and to numerous other nations which in fact accord unconditional most-favored-nation treatment to

^{1/} The Haitian monetary unit, the gourde, is maintained at the legal rate of 5 gourdes to 1 United States dollar. United States currency circulates freely.

^{2/} Fiscal years ended September 30.

^{3/} Export values employed by Haiti are f.o.b. Haitian port or frontier, including export duties. Import values are declared values, c.i.f. port of importation.

Haitian products provided that in the fiscal year 1932-33 they took at least 1 percent of total exports from Haiti, or supplied less than one-half of 1 percent of its imports. Conventional reductions below the minimum (basic) column on a list of United States products are extended to third countries under most-favored-nation agreements, but are not generalized to other countries. Haiti has most-favored-nation agreements in force with the United States, Belgium, Canada, Denmark, France, Germany, Italy, the Netherlands, Switzerland, and the United Kingdom. It has established neither foreign exchange control nor quotas. There is no special agency to advise the Government on tariff matters.

In the trade agreement between the United States and Haiti, effective June 3, 1935, tariff concessions granted by Haiti to the United States included reductions in duty on 13 tariff classifications, conditional reductions in duty on 3, and bindings against increase in duty on 19. The reductions in the Haitian duties ranged from one-fourth to two-thirds of the duties in effect prior to the conclusion of the agreement. Concessions made by the United States to Haiti related almost entirely to distinctively tropical products. Seven tariff items were bound on the free list, and reductions in duty ranging from 15.3 to 50 percent were granted on four products. Assurance was given that, under the United States sugar control program, sugar imported into the United States from Haiti with benefit of drawback will not be charged against the Haitian quota ^{1/}

^{1/} See the section on "United States Trade with Haiti."

Prior to 1936 France took the major part of Haitian exports, and Haiti was closely linked to France in its commercial policy. For many years, by a series of treaties between the two countries, Haiti, in addition to most-favored-nation treatment, extended to specified French products a one-third reduction of its import duty rates, in return for minimum French duties on coffee and other Haitian products. A commercial agreement of April 12, 1930, and a supplementary accord of March 10, 1934, by which reductions were made for a list of French products, expired on May 26, 1935, but were continued as of July 10, 1935, until denounced by France to terminate on April 18, 1936. During the period when these agreements were not in force, the maximum Haitian tariff rates were applied to French products, and the maximum French rates to Haitian products. By a commercial agreement of June 24, 1938, reductions of one-third of the duties were again granted by Haiti to France on a wide range of commodities, and extended to the United States and other countries enjoying most-favored-nation treatment in Haiti. Upon importation into France, certain Haitian products listed in the convention were to enjoy most-favored-nation treatment. France also agreed to accord to Haiti a normal quota of not less than 12 million kilograms of coffee (26.5 million pounds) per year.^{1/} This agreement was temporarily suspended on November 23, 1940, after the outbreak of the European war.

^{1/} This quota was not reached in the fiscal year 1938-39. See the section on destination of exports.

The Constitution of Haiti authorizes the Executive to issue decree-laws during the recess of the National Assembly, with the approval of a Permanent Legislative Committee selected by the Assembly. The president of this Committee is authorized to countersign such decree-laws, and is required to report the Committee's action to the next ordinary session of the Assembly. An example of these executive powers as applied to the tariff was the increase in the general import surtax from one-tenth to two-tenths of the duties by a decree-law of November 29, 1937. The Executive may conclude treaties changing tariff rates, but such agreements become effective only upon ratification by the Legislature. Following the outbreak of the European war, the Executive was authorized on September 12, 1939, to take all necessary measures to protect the consuming public through the issuance of decrees or resolutions having the force of law. Under this authorization, attempts were made to prevent profiteering and unwarranted price rises within the country by restricting the exportation of certain commodities, particularly foodstuffs.

The Haitian tariff is largely a revenue measure.^{1/} The rates of duty are comparatively high, the average equivalent ad valorem rate in 1939 being about 50 percent. Duties are either specific or ad valorem, or both. On many products the Customs Law provides that the duties may be based on either weight or value, whichever produces the higher duty.

^{1/} Of the Haitian revenues for the fiscal year 1938-39, which amounted to 31.1 million gourdes (6.2 million dollars), 82.3 percent consisted of customs duties. Internal revenue taxes accounted for 16.1 percent, and miscellaneous revenues for 1.6 percent.

An emergency revenue law of September 26, 1932, established a general surtax of 5 percent of the duty on all dutiable imported merchandise. On March 14, 1937, the rate of this surtax was increased to 10 percent, and on December 1 of the same year it was raised to 20 percent on all commodities except those included in the United States-Haitian trade agreement, and on like imports from most favored nations.

Export duties are levied by Haiti on a large number of products, and from time to time certain commodities have been removed from the list, or the rates have been changed. Since coffee constitutes a large part of total exports, the export duties on it form a large item in governmental receipts, and fluctuations in the size of the coffee crop and in the quantity of coffee exported result in distinct variations in revenue. Under the Tariff Act of September 4, 1905, ad valorem export surtaxes were levied on certain articles, in addition to the regular specific export duties. The specific rates in the Tariff Act of 1926, however, are inclusive of the regular export duties and the surtaxes.^{1/}

By a law of October 1, 1929, the Haitian Executive, upon the recommendation of the Secretary of State for Finance, was given authority to suspend collection of all or any part of the duties on exports,

^{1/} The Haitian Tariff Act of 1926 provided for export duties on coffee, cacao, cotton, cottonseed, alcohol, wax, hides and skins, copper, shell, orange peel, sponges, miscellaneous fruits and food-stuffs, iron, lead, guano, beans, corn, honey, pita, sugar, several species of wood, and on products, wares, and other articles, not specified.

with a view to reducing revenues from export duties by an amount estimated to be equal to the revenues derived from excise taxes.

Under this authorization, an Executive Order removed the export duties on nearly all fruits and fresh vegetables grown in Haiti.^{1/} The export duty on cacao was removed in 1930, that on castor beans on August 10, 1935, and that on scrap copper and other scrap metals on July 16, 1937. The export duty on cottonseed was abandoned on October 31, 1932; subsequently a duty equal to one-half the previous rates was imposed, but this was abolished on June 10, 1939. The export duty on logwood has been suspended from time to time for periods of 1 year. All export duties on sugar and molasses were suspended for 3 years from May 28, 1935, and for 2 more years from May 30, 1938. Under the operation of a decree-law of September 16, 1939, however, the export duties on sugar were restored; the new law provided a sliding tax based on sugar prices in New York. As a result of the modification in the Brazilian coffee valorization plan, which was placed in effect in November 1937, Haiti on November 27, 1937, reduced its export duties on coffee by approximately one-half, in order to permit Haitian coffee to continue to compete in world markets. In an effort to open up new markets, the export duties on coffee were further reduced by one-third on October 31, 1940.

^{1/} Export duties on bananas and plantains had already been removed on June 15, 1928.

Exports from Haiti.

Trend. - The most notable features of the Haitian export trade in the decade 1929-38 were the declining importance of exports of coffee, the increasing importance of exports of sugar, sisal, and bananas, and the shift from France to the United States as the principal export market. Exports from Haiti to the world and to the United States, in the fiscal years 1924-40, are shown in tables 1 and 2.^{1/}

The year 1929, the earliest shown in the detailed tables herein-after presented, was not a peak year in exports either to the world or to the United States. The value of exports to the world in 1929 was exceeded by that in 1925, 1926, and 1928; average exports in the 5 years 1924-28 exceeded those in 1929 by about 10 percent. Exports to the United States in 1929 were exceeded by those in the years 1924-28, except in 1927; the average of exports to the United States in the 5 years 1924-28 exceeded those in 1929 by 24 percent. The value of exports in 1929 was exceeded by those in prior years, largely because of the higher prices of coffee in the earlier period.

^{1/} In the following discussion, all years mentioned are fiscal years ending September 30.

Table 1. - Haiti: Trade with the world, 1924-40^{1/}(In thousands of U.S. dollars)^{2/}

Year	:	Exports	:	Imports
1924	:	14,176	:	16,166
1925	:	19,404	:	20,238
1926	:	20,248	:	18,851
1927	:	15,299	:	15,751
1928	:	22,667	:	20,248
1929	:	16,724	:	17,238
1930	:	14,145	:	12,842
1931	:	8,963	:	9,576
1932	:	7,221	:	7,461
1933	:	9,330	:	7,667
1934	:	10,309	:	9,137
1935	:	7,126	:	8,232
1936	:	9,448	:	7,584
1937	:	8,971	:	9,215
1938	:	6,946	:	7,595
1939	:	7,268	:	8,181
1940	:	5,399	:	7,940

^{1/} Fiscal years ended September 30.^{2/} The Haitian monetary unit - the gourde - is maintained at the legal rate of 5 gourdes to 1 United States dollar.

Source: Compiled by the U.S. Tariff Commission from Annual Report of the Fiscal Representative, Haiti.

Table 2.- Haiti: Trade with the United States, 1924-40^{1/}(Value in thousands of U. S. dollars)^{2/}

Year	Exports ^{3/}		Imports ^{3/}	
	Value	Percent of	Value	Percent of
		total to United States::		total from United States
1924 -----	1,329	9.4	12,999	80.4
1925 -----	2,319	11.9	15,568	76.9
1926 -----	1,378	6.8	14,030	74.4
1927 -----	1,195	7.8	12,057	76.5
1928 -----	1,853	8.2	15,247	75.3
1929 -----	1,306	7.8	12,041	69.9
1930 -----	1,305	9.2	9,001	70.1
1931 -----	727	8.1	6,578	68.7
1932 -----	585	8.1	5,043	67.6
1933 -----	584	6.3	4,770	62.2
1934 -----	906	8.8	4,421	48.4
1935 -----	860	12.1	3,983	48.4
1936 -----	1,346	14.2	4,283	56.5
1937 -----	2,500	27.9	4,698	51.0
1938 -----	2,972	42.8	4,126	54.3
1939 -----	2,502	34.4	5,093	62.3
1940 -----	2,787	51.6	5,767	72.6

^{1/} Fiscal years ended September 30.^{2/} The Haitian monetary unit - the gourde - is maintained at the legal rate of 5 gourdes to 1 United States dollar.^{3/} Does not include trade with the Virgin Islands, as Haitian statistics make no distinction as to ownership. Also does not include imports from Puerto Rico which amounted to the following (in thousands of dollars): 1929 - 468; 1932 - 196; 1936 - 24; 1937 - 39; 1938 - 57; 1939 - 48; 1940 - 48. Exports to Puerto Rico were either nil or negligible in these years.

Exports from Haiti in 1929 were valued at 16.7 million dollars. By 1932, as a result of poor crops and the decline in the prices of export commodities, they amounted to but 7.2 million dollars, or 43 percent of the 1929 value. After 1932, rising prices for some export commodities and improved coffee crops brought about some recovery of Haitian export values. They increased to 10.3 million dollars in 1934, declined sharply in 1935, but in 1936 were 9.4 million. Thereafter they declined regularly to 6.9 million dollars in 1938, or 42 percent of their 1929 value. The decline in 1938 may be attributed principally to the small coffee crop, and to the decline in the prices of coffee and other principal export commodities. Exports in 1939 amounted to 7.3 million dollars, an increase of 5 percent from 1938, but in 1940 they were valued at only 5.4 million dollars, a decline of 26 percent from 1939. The decline in 1940 was due principally to the loss of continental European markets as a result of the war.

Price and quantum indexes of Haitian exports are not available. The effect of fluctuations in prices and quantities on the export trade, however, is partially indicated by statistics for the leading export commodities - coffee, cotton, sugar, and sisal - which in the decade 1929-38 constituted approximately nine-tenths of total exports, in terms of value. The statistics indicate that the decline in the value of Haitian exports from 1929 to 1932 may be attributed more to the decline in prices than to the decline in the quantities exported. Subsequent variations in the value of exports were due both to changes in the prices of some commodities and to marked changes in the quantities

of others. After 1932 the quantity of coffee, sugar, and sisal exported increased substantially, while that of cotton did not. The unit values of the exports of cotton and sisal increased, that of sugar remained fairly constant, and that of coffee declined. Quantities, values, and unit values of selected export commodities, in specified fiscal years, 1929 to 1938, are shown in table 3.

Table 3.- Haiti: Exports of selected commodities, in specified fiscal years, 1929 to 1938 ^{1/}

Commodity	1929	1932	1936	1937	1938
Quantity					
Coffee, 1,000 pounds -----	62,956	51,158	79,565	54,689	55,253
Cotton, raw, bales of	:	:	:	:	:
478 pounds, net -----	21,929	29,095	26,539	24,867	21,593
Sugar, short tons -----	5,213	22,701	38,363	35,720	37,909
Sisal, 1,000 pounds -----	105	6,148	12,438	13,662	15,924
Value (1,000 U.S. dollars) ^{2/}					
Coffee -----	12,899	5,267	5,869	4,679	3,465
Cotton -----	2,071	813	1,445	1,533	1,052
Sugar -----	211	444	764	816	778
Sisal -----	9	175	602	765	647
Unit value (U.S. dollars)					
Coffee, pound -----	0.205	0.103	0.074	0.086	0.063
Cotton, raw, bale of 478	:	:	:	:	:
pounds, net -----	94.43	27.92	54.44	61.65	48.72
Sugar, short ton -----	40.44	19.57	19.93	22.86	20.54
Sisal, pound -----	.085	.028	.048	.056	.041
	:	:	:	:	:
	:	:	:	:	:

^{1/} Fiscal years ended September 30.

^{2/} The Haitian monetary unit - the gourde - is maintained at the legal rate of 5 gourdes to 1 United States dollar.

Source: Compiled by the U. S. Tariff Commission from Annual Report of the Fiscal Representative, Haiti.

Composition. - During the decade 1929-38 coffee, cotton, sugar, and sisal accounted for from 85 to 93 percent of all exports, in terms of value. A marked shift in the relative importance of these commodities took place during the decade, however. In 1929 more than 89 percent of the total value of Haitian exports consisted of coffee and cotton (coffee alone - 77 percent), whereas sugar and sisal together accounted for only 1.4 percent. In 1938, coffee and cotton constituted 65 percent of total exports (coffee alone - 50 percent), while the combined share of sugar and sisal increased to more than 20 percent.

Exports of principal commodities from Haiti in specified fiscal years, 1929 to 1938, are shown in table 4. For all commodities shown in the table, except sugar, sisal, and bananas, there was a sharp drop in the value of exports between 1929 and 1932, caused in considerable part by lower prices. Sugar, sisal, and bananas showed marked increases in value because of the increases in the quantities exported (see table 4). All commodities increased in dollar value in 1937 as compared with 1932, except coffee and logwood; the values for sugar, sisal, bananas, and goatskins were in excess of those for 1929. For the principal commodities, the ratios of the dollar values of exports in 1938 to those in 1929 were as follows: Coffee, 27 percent; cotton, 51 percent; sugar, 369 percent; sisal, 7,200 percent; bananas, 5,700 percent;^{1/} cacao beans, 59 percent; and molasses, 95 percent.

^{1/} Comparison of 1932 and 1938. Exports of bananas were negligible in 1929.

Table 4. - Haiti: Exports, by principal commodities, in specified fiscal years, 1929 to 1938^{2/}
(Value in thousands of U. S. dollars)

Commodity	1929		1932		1936		1937		1938	
	: Value	: Percent	: Value	: Percent	: Value	: Percent	: Value	: Percent	: Value	: Percent
	: of total	: of total	: of total	: of total	: of total	: of total	: of total	: of total	: of total	: of total
	: exports	: exports	: exports	: exports	: exports	: exports	: exports	: exports	: exports	: exports
Grand total	16,724	100.0	7,221	100.0	9,448	100.0	8,971	100.0	6,246	100.0
Coffee	12,899	77.1	5,267	72.9	5,869	62.1	4,679	51.7	3,335	53.9
Cotton, raw	2,071	12.4	813	11.3	1,445	15.3	1,533	17.1	1,052	15.1
Sugar, raw and refined ^{3/}	211	1.3	444	6.2	764	8.1	816	9.1	778	11.2
Sisal	9	.1	175	2.4	602	6.4	764	8.5	647	9.3
Bananas	6/	7/	7	.1	154	1.6	376	4.2	400	5.8
Cacao beans	237	1.4	51	.7	114	1.2	200	2.2	139	2.0
Molasses	125	.7	77	1.1	114	1.2	79	.9	119	1.7
Goatskins	137	.8	64	.9	83	.9	156	1.7	91	1.3
Cottonseed cake	177	1.1	86	1.2	102	1.1	131	1.5	83	1.2
Logwood	502	3.0	164	2.3	95	1.0	129	1.4	75	1.1
All other commodities	307	1.8	71	.9	105	1.1	100	1.1	96	1.4
Reexports	49	.3	2	7/	1	7/	8	.1	1	7/

^{1/} General exports. Bullion and parcel post are included. Specie is excluded. Values are f.o.b. Haitian port or frontier, including export duties.

^{2/} Fiscal years ended September 30.

^{3/} The Haitian monetary unit - the gourde - is maintained at the legal rate of 5 gourdes to 1 United States dollar.

^{4/} Classifications employed in this table are those given in the Haitian export statistics for 1938. Commodities are ranked according to value in 1938.

^{5/} Almost entirely raw sugar.

^{6/} Less than \$500.

^{7/} Less than one-tenth of 1 percent.

Source: Compiled by the U. S. Tariff Commission from Annual Report of the Fiscal Representative, Haiti.

Coffee is by far the leading Haitian export commodity. Its share in total exports, however, declined from 77 percent in 1929 to 50 percent in 1938. This decline reflects in part the virtual loss of the French market after 1936, and in part the growing importance of exports of other products, especially sugar and sisal.^{1/} In terms of quantity, Haitian exports of coffee dropped from 63 million pounds in 1929 to 51.2 million pounds in 1932, a decline of about 19 percent. Average unit values in the same period, however, declined by approximately one-half, from \$0.205 to \$0.103 per pound. Exports of coffee reached 79.6 million pounds in 1936, but the unit value of such exports meanwhile declined to \$0.074 per pound, or little more than one-third of that in 1929. Between 1936 and 1938, Haitian coffee imported into France was subject to an import duty that practically excluded it from the French market. France had been taking about two-thirds of the Haitian coffee crop. In 1937 other European countries took increased quantities, and, for the first time, the United States purchased considerable quantities. Nevertheless, Haitian exports of coffee declined to 54.7 million pounds in 1937, and in 1938 were 55.3 million pounds, or 88 percent of 1929 exports. The average unit value of exports increased to \$0.086 per pound in 1937, but declined to \$0.063 per pound in 1938, or about 31 percent of the 1929 level (see table 3).

^{1/} In the fiscal year 1938-39, coffee accounted for 51 percent of the value of total exports. For the share of France in exports of coffee, see the section on destination of exports.

Exports of raw cotton from Haiti during the decade constituted between 11 percent (1932) and 17 percent (1937) of all exports, in terms of value. In contrast with exports of coffee, exports of cotton increased by about one-third between 1929 and 1932, from 21,929 to 29,095 bales.^{1/} Average unit values in the same period, however, dropped sharply from \$94.43 per bale to \$27.92 per bale, a decline of more than two-thirds. By 1936 exports had decreased to 26,509 bales, the average unit value meanwhile recovering to \$54.44 per bale. As a result of the spread of the boll weevil, quantities declined to 24,867 bales in 1937 and to 21,593 bales in 1938, a point slightly below the 1929 level. Average unit values increased to \$61.65 per bale in 1937, but declined in 1938 to \$48.72 per bale, only slightly more than one-half of that in 1929 (see table 3).

In 1929 shipments of sugar represented somewhat more than 1 percent of total Haitian exports, while sisal and bananas each constituted one-tenth of 1 percent or less. Exports of each of these commodities increased regularly in each subsequent year shown in table 4; in 1938 sugar accounted for 11 percent of the value of all exports, sisal for 9 percent, and bananas for nearly 6 percent.

Exports of sugar from Haiti in 1929 amounted to 5,213 short tons; by 1932 they had more than quadrupled (22,701 short tons). Average unit values in the same period declined by approximately one-half (from \$40.44 to \$19.57 per short ton). The quantity of exports

^{1/} Bales of 478 pounds, net.

in 1936 was 38,363 short tons, or 735 percent of that in 1929.

There was little variation during the period 1936-38, average annual exports amounting to 37,330 short tons.^{1/} Average unit values in 1936 were slightly above those in 1932; they increased to \$22.86 per ton in 1937, but declined in 1938 to \$20.54 per ton, slightly more than one-half of the 1929 level (see table 3).

In 1929 exports of sisal from Haiti amounted to but 105 thousand pounds. They increased sharply to 6.1 million pounds in 1932, but average unit values meanwhile declined by approximately two-thirds (from \$0.085 to \$0.028 per pound). After 1932 exports continued to increase, reaching 15.9 million pounds in 1938. Average unit values increased to \$0.056 per pound in 1937, but declined in 1938 to \$0.041, or slightly less than half of the 1929 level (see table 3).

Other Haitian export commodities, no one of which accounted for more than 2 percent of total exports in 1938, are cacao beans, molasses, goatskins, cottonseed cake, and logwood. Of these commodities, cacao beans, molasses, and goatskins accounted for larger shares in 1938 than in 1929, and logwood for a smaller share. Reexports from Haiti are negligible.

Destination. - The principal markets for Haitian exports in 1938, with share of the total value taken by each country, were the United States, 43 percent; the United Kingdom, 14 percent; Belgium, 12 percent; France, 12 percent; and Denmark, 5 percent. Other purchasing

^{1/} Under the terms of the agreement reached by sugar-producing countries at the International Sugar Conference in 1937, exports of sugar from Haiti, until 1942, are limited to an annual quota of 32,500 tons.

countries in that year, no one of which took as much as 3 percent of total exports, included the Netherlands, Japan, Germany, and Italy. Exports from Haiti to selected countries, in specified fiscal years, 1929 to 1938, are shown in table 5. More detailed data for 1937 are shown in table 6.

Until 1937 France was the major market for Haitian products, taking between 45 and 55 percent of all exports, in terms of value. In that year, however, the United States superseded France as the principal destination, and by 1938 the proportion of Haitian exports shipped to France had dropped to 11 percent. The value of French purchases ranged from 302 thousand dollars (1938) to 9.2 million dollars (1929). The share of the United States, which was approximately 8 percent in 1929 and 1932, and 14 percent in 1936, increased sharply to 28 percent in 1937 and to 43 percent in 1938. In value, United States purchases from Haiti varied from 585 thousand dollars (1932) to 3 million dollars (1938). The shift from France to the United States as the leading customer followed the termination of the commercial convention between France and Haiti in April 1936. The French market for Haitian coffee was again opened by the signing of a new commercial convention on June 24, 1938, but the trade was hampered by various restrictions.^{1/}

^{1/} In 1939, Haitian exports to France increased substantially, the share of France amounting to 21 percent of total exports, but France did not regain its former predominant position.

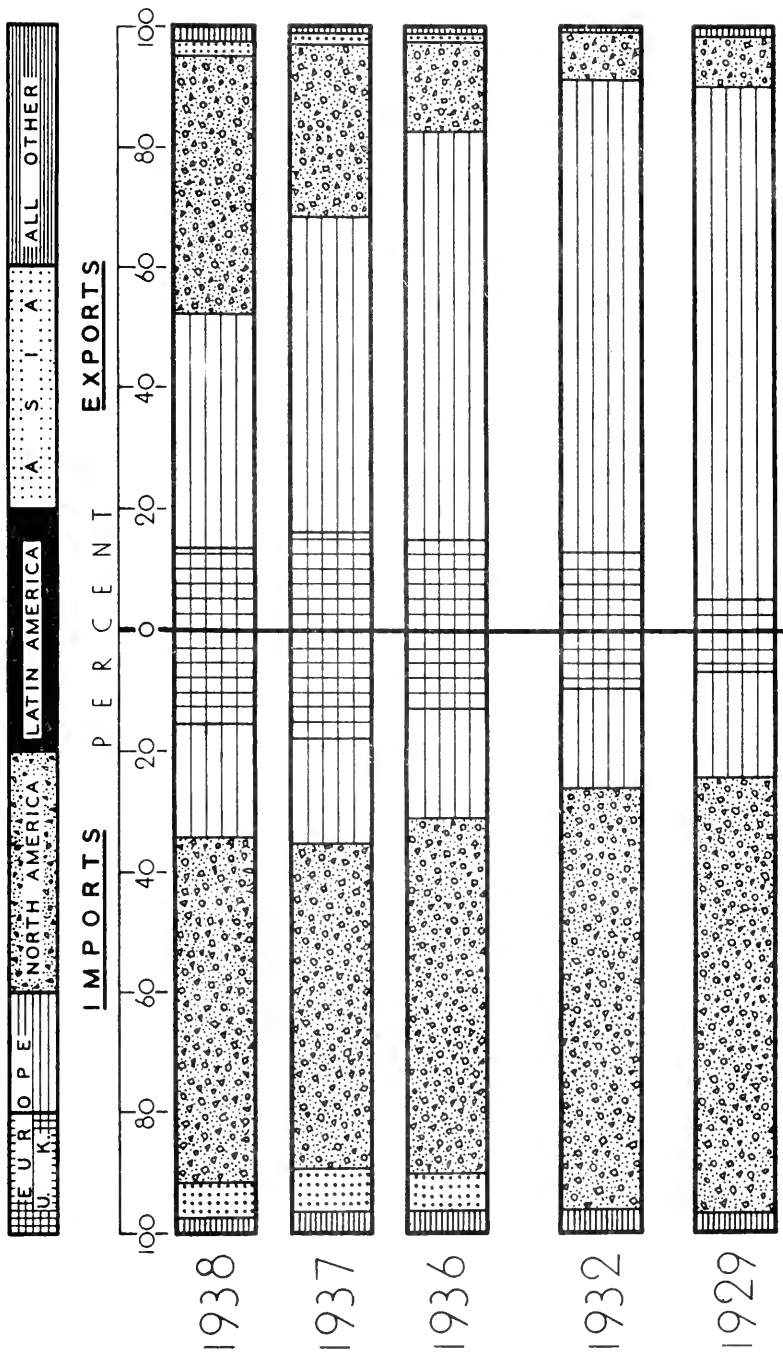
Table 6. - Haiti: Foreign trade, by geographic areas and principal countries, in 1937^{1/}
(Value in thousands of U. S. dollars)^{2/}

Exports ^{3/}		Imports ^{3/}	
Exported to -	Value : Percent of : : total trade :	Imported from -	Value : Percent of : : total trade :
Western Hemisphere:		Western Hemisphere:	
UNITED STATES ^{4/}	2,500 : 27.9	UNITED STATES ^{4/}	4,698 : 51.0
Canada	58 : .7	Canada	194 : 2.1
Netherlands West Indies	30 : .3	Netherlands West Indies	168 : 1.8
Virgin Islands	29 : .3	Puerto Rico	39 : .4
All other Western Hemisphere countries	27 : .3	All other Western Hemisphere countries	122 : 1.3
Total	2,644 : 29.5	Total	5,221 : 56.6
Europe:		Europe:	
United Kingdom	1,449 : 16.1	United Kingdom	1,641 : 17.8
Germany	374 : 4.2	Germany	690 : 7.1
France (including Corsica)	1,463 : 16.3	France (including Corsica)	244 : 2.4
Italy	729 : 8.1	Italy	97 : 1.1
Belgium-Luxemburg	1,125 : 12.5	Belgium-Luxemburg	255 : 2.8
Denmark	417 : 4.7	Netherlands	203 : 2.2
Sweden	197 : 2.2	All other European countries	186 : 2.0
Netherlands	192 : 2.1	Total	2,256 : 23.2
All other European countries	188 : 2.1		
Total	6,134 : 68.3		
Asia:		Asia:	
Japan	187 : 2.1	Japan	643 : 7.0
All other Asiatic countries	- : -	China	37 : .4
Total	187 : 2.1	All other Asiatic countries	40 : .4
		Total	720 : 7.8
Africa	6 : .1	Africa	4 : .1
Oceania	- : -	Oceania	14 : .2
Grand total	8,971 : 100.0	Grand total	9,215 : 100.0

1/ Fiscal year ended September 30.
 2/ The Haitian monetary unit - the gourde - is maintained at the legal rate of 5 gourdes to 1 United States dollar.
 3/ General trade. Ballion and parcel post are included. Specie is excluded. Import values are declared values, c.i.f. port of importation. Export values are declared values, f.o.b. Haitian port or frontier, including export duties.
 4/ Does not include trade with ~~noncontiguous~~ territories of the United States (Puerto Rico, etc.).

HAITI

PERCENTAGE DISTRIBUTION OF IMPORTS AND EXPORTS
1929, 1932, 1936-1938



Haitian exports to the United Kingdom constituted less than 5 percent of the total in 1929; the share increased to 16 percent in 1937, but declined to 14 percent in 1938. Purchases of Haitian products by the United Kingdom ranged in value from \$15 thousand dollars (1929) to 1.4 million dollars (1937). Italy's participation in the Haitian export trade was substantial in the early years of the decade 1929-38. It increased from 7 percent in 1929 to 10 percent in 1932, was negligible in 1936, substantial in 1937 (8 percent), but dropped to 1 percent in 1938. Haitian products purchased by Italy ranged in value from 63 thousand dollars (1936) to 1.2 million dollars (1929); in 1938 they were valued at only 75 thousand dollars. The share of Germany during the decade varied from 2 percent (1936 and 1938) to 4 percent (1929 and 1937). Japanese purchases, which were negligible in 1929 and nonexistent in 1932, constituted between 1.5 and 2.2 percent of the total in the 3 years 1936-38.^{1/}

Exports from Haiti to the other countries of Latin America are negligible. In 1937, for example, they amounted to but 2 thousand dollars out of total exports of nearly 9 million dollars.

In 1929, 1932, and 1936, France was the principal market for Haitian coffee, taking 59, 56, and 67 percent, respectively, in terms of quantity. The remainder went largely to European countries, especially Denmark, Italy, and Belgium. The United States took only 3 percent of all Haitian coffee in 1929, and 2 percent in 1932 and

^{1/} The value of German purchases varied between 143 thousand dollars (1938) and 682 thousand dollars (1929). Purchases by Japan ranged from 3 thousand dollars (1929) to 187 thousand dollars (1937).

1936. After 1936 the United States and Belgium became the principal purchasers of Haitian coffee, but Denmark, France, the Netherlands, Sweden, Norway, Italy, and Germany took important quantities. Belgium occupied first place in 1937 (23 percent), followed by France (20 percent), the United States (19 percent), and Italy (15 percent). In 1938 the United States became the principal market for Haitian coffee (35 percent); other purchasers included Belgium (25 percent), Denmark (11 percent), France (10 percent), and the Netherlands (5 percent).^{1/}

The outbreak of war in September 1939, and the ensuing events, caused the loss of this important European market for coffee. Under the terms of the Inter-American Coffee Agreement of November 28, 1940, however, Haiti received a quota for exports of coffee to the United States which compensates in part for the loss of European markets. The agreement provided that Haiti should receive, for the quota year beginning October 1, 1940, an allotment of 275,000 bags^{2/} (36.4 million pounds), whereas exports to the United States for the years ended June 30, 1939 and 1940 were 145,499 bags (19.2 million pounds) and 147,837 bags (19.6 million pounds), respectively.

During the decade 1929-38 the United Kingdom was the principal market for Haitian exports of raw cotton. In 1935 its share of the total value of exports of cotton amounted to 57 percent, but by 1937

^{1/} For detailed statistics of Haitian exports of coffee by countries of destination, in selected years, 1929 to 1938, see part III of this report, p. 103. In the fiscal year 1938-39 the principal purchasers were the United States (32 percent), France (26 percent), Belgium (19 percent), and Denmark (10 percent). Although under the Franco-Haitian Convention of 1938 it was agreed that France would accord Haiti an annual quota of 26.5 million pounds of coffee, actual exports to France in the fiscal year 1938-39 amounted to only 16.9 million pounds.

^{2/} Bags of 60 kilograms, net.

it had declined to 44 percent. France, the second ranking purchaser of cotton, took approximately one-third of such exports in 1936 and 1937. Other markets in these years included Japan and Germany.

Sugar exported from Haiti during the decade 1929-38 went principally to the United Kingdom, its share in the value of the trade ranging from 54 percent (1938) to 96 percent (1932).^{1/} Except in 1929, when Canada was the next ranking purchaser, the United States occupied second place. The proportion taken by the United States, however, varied considerably; it declined from 4 percent in 1929 to 1 percent in 1932, increased to 15 percent in 1936, declined to 11 percent in 1937, and reached 42 percent in 1938. Minor markets for Haitian sugar in the decade 1929-38 were the Netherlands West Indies and the Virgin Islands.

Practically all Haitian exports of sisal, bananas, cacao beans, molasses, and goatskins, and most of the exports of logwood, have been customarily shipped to the United States. Prior to the outbreak of the war, the United Kingdom took the greater part of exports of cottonseed cake. Among the minor export products included in the "other commodities" group (see table 4), the United States has customarily taken all exports of castor beans and pineapples, and most of the beeswax, rum, and cashew nuts. Prior to the war, about one-half of all lignum vitae was exported to the United States. Germany took more than one-half of all exports of honey; other markets were the United Kingdom, Belgium, and France.

^{1/} For detailed statistics of Haitian exports of sugar by countries of destination, in selected years, 1929 to 1938, see part III of this report, p. 416.

Imports into Haiti.

Trend. - Outstanding developments in the Haitian import trade in the decade 1929-38 were the increasing importance of textile manufactures and of machinery and apparatus, the declining importance of food-stuffs, and the increased share of total imports furnished by the United Kingdom and Japan. The United States maintained its position as the predominant supplier of Haitian imports, though its share was much smaller in 1938 than in 1929. The share of the United States, however, rose sharply in 1939 and 1940 as a result of the war in Europe. Imports into Haiti from all countries and from the United States, for the fiscal years 1924-40,^{1/} have already been shown in tables 1 and 2.

The year 1929, the earliest shown in the subsequent detailed tables, was not a peak year either in imports from the world or from the United States. Imports from all countries in 1929 were exceeded in value by those in each of the 5 years 1924-28, except 1924 and 1927, and imports from the United States were exceeded in each of the years 1924-28. Average annual imports from all countries in the 5 years 1924-28 exceeded those in 1929 by 6 percent; average annual imports from the United States in the 5 years exceeded those in 1929 by 16 percent.

Haitian imports, which in 1929 were valued at 17.2 million dollars, declined regularly to 7.5 million dollars in 1932, or 43 percent of their 1929 value. After 1932, principally because of changes in purchasing power resulting from variations in the value of export crops,

^{1/} In the following discussion, all years mentioned are fiscal years ending September 30.

imports fluctuated considerably (see table 1). In 1937 they reached 9.2 million dollars, but declined to 8.2 million dollars in 1939.

Imports in 1940 were valued at 7.9 million dollars, a decline of 3 percent as compared with 1939.^{1/}

^{1/} Price and quantum indexes of Haitian imports are not available.

Table 7. - Haiti: Imports, ^{1/} by principal groups, subgroups, and commodities, in specified fiscal years, 1929 to 1938^{2/}

Commodity group, subgroup, or commodity	1929			1930			1931			1932			1933			1934			1935			1936			1937			1938		
	Value	of total	Percent	Value	of total	Percent	Value	of total	Percent	Value	of total	Percent	Value	of total	Percent	Value	of total	Percent	Value	of total	Percent	Value	of total	Percent	Value	of total	Percent	Value	of total	Percent
	Imports			Imports			Imports			Imports			Imports			Imports			Imports			Imports			Imports			Imports		
Grand total	17,238	100.0		7,461	100.0		7,584	100.0		9,215	100.0		7,595	100.0		7,595	100.0		7,595	100.0		7,595	100.0		7,595	100.0		7,595	100.0	
Textiles and manufactures	3,663	21.3		2,722	29.8		2,290	30.2		3,504	38.0		2,729	35.9		2,729	35.9		2,729	35.9		2,729	35.9		2,729	35.9		2,729	35.9	
Cotton and manufactures	2,114	18.0		1,927	26.8		1,923	26.3		2,184	24.6		2,479	32.6		2,479	32.6		2,479	32.6		2,479	32.6		2,479	32.6		2,479	32.6	
Piece goods, plain-woven	1,259	7.3		1,116	15.0		1,135	15.0		1,870	20.3		1,456	19.2		1,456	19.2		1,456	19.2		1,456	19.2		1,456	19.2		1,456	19.2	
Piece goods, twilled or figured in the loom	1,147	6.7		472	6.3		536	7.1		857	9.3		626	8.2		626	8.2		626	8.2		626	8.2		626	8.2		626	8.2	
Vegetable fibers other than cotton, and manufactures	321	1.9		128	1.7		207	2.7		215	2.3		168	2.2		168	2.2		168	2.2		168	2.2		168	2.2		168	2.2	
Bags, jute	203	1.2		81	1.1		144	1.9		111	1.2		109	1.4		109	1.4		109	1.4		109	1.4		109	1.4		109	1.4	
Silks and manufactures	94	.5		50	.7		60	.8		56	.6		46	.6		46	.6		46	.6		46	.6		46	.6		46	.6	
Wool, bristles, and hair, and manufactures	133	.8		47	.6		31	.4		48	.5		31	.4		31	.4		31	.4		31	.4		31	.4		31	.4	
Foodstuffs (including live animals) and beverages	6,053	35.1		2,218	29.7		1,764	23.3		1,735	18.8		1,361	17.9		1,361	17.9		1,361	17.9		1,361	17.9		1,361	17.9		1,361	17.9	
Wheat flour	2,995	17.4		993	13.3		763	10.1		823	8.9		555	7.3		555	7.3		555	7.3		555	7.3		555	7.3		555	7.3	
Fish	674	3.9		267	3.6		302	4.0		262	2.8		226	3.0		226	3.0		226	3.0		226	3.0		226	3.0		226	3.0	
Rice	529	3.1		114	1.5		109	1.4		85	.9		63	.8		63	.8		63	.8		63	.8		63	.8		63	.8	
Chemical and pharmaceutical products, etc.	1,333	7.7		672	9.0		743	9.8		799	8.7		742	9.8		742	9.8		742	9.8		742	9.8		742	9.8		742	9.8	
Soap	635	3.7		307	4.1		295	3.9		359	3.9		351	4.6		351	4.6		351	4.6		351	4.6		351	4.6		351	4.6	
Chemical and pharmaceutical substances and products	352	2.0		216	2.9		263	3.5		265	2.9		230	3.0		230	3.0		230	3.0		230	3.0		230	3.0		230	3.0	
Perfumery, cosmetics, and other toilet preparations	113	.7		80	1.1		100	1.3		85	.9		83	1.1		83	1.1		83	1.1		83	1.1		83	1.1		83	1.1	
Paints, pigments, varnishes, inks, colors, and dyes	131	.8		68	.9		84	1.1		87	.9		74	1.0		74	1.0		74	1.0		74	1.0		74	1.0		74	1.0	
Machinery and apparatus, including agricultural machinery	814	4.7		344	4.6		439	5.8		596	6.5		591	7.8		591	7.8		591	7.8		591	7.8		591	7.8		591	7.8	
Machinery and apparatus	674	3.9		287	3.8		323	4.3		436	4.7		436	5.7		436	5.7		436	5.7		436	5.7		436	5.7		436	5.7	
Electrical machinery, apparatus, and appliances	159	.9		97	1.3		141	1.9		155	1.7		136	1.8		136	1.8		136	1.8		136	1.8		136	1.8		136	1.8	
Agricultural machinery, tools, and implements	140	.8		57	.8		116	1.5		140	1.5		155	2.1		155	2.1		155	2.1		155	2.1		155	2.1		155	2.1	
Iron and steel and manufactures	1,224	7.1		286	3.8		425	5.6		499	5.4		474	6.3		474	6.3		474	6.3		474	6.3		474	6.3		474	6.3	
Kitchen utensils	179	1.0		67	.9		101	1.3		114	1.2		66	.9		66	.9		66	.9		66	.9		66	.9		66	.9	
Bars, beams, plates, etc., of cast iron, wrought iron, and steel	211	1.2		51	.7		84	1.1		121	1.3		90	1.2		90	1.2		90	1.2		90	1.2		90	1.2		90	1.2	
Nails, tacks, and brads	42	.2		24	.3		35	.5		30	.3		28	.4		28	.4		28	.4		28	.4		28	.4		28	.4	
Cutlery	38	.2		24	.3		33	.4		35	.4		20	.3		20	.3		20	.3		20	.3		20	.3		20	.3	
Pipes and fittings	78	.5		17	.2		27	.4		34	.4		20	.3		20	.3		20	.3		20	.3		20	.3		20	.3	
Oil, mineral	991	5.7		551	7.4		383	5.0		515	5.6		383	5.0		383	5.0		383	5.0		383	5.0		383	5.0		383	5.0	
Gasoline	568	3.3		252	3.4		114	1.5		205	2.2		161	2.1		161	2.1		161	2.1		161	2.1		161	2.1		161	2.1	
Kerosene	259	1.5		186	2.5		171	2.3		148	1.6		127	1.7		127	1.7		127	1.7		127	1.7		127	1.7		127	1.7	
Cars, carriages, and other vehicles, and accessories	829	4.8		187	2.5		292	3.9		308	3.4		239	3.2		239	3.2		239	3.2		239	3.2		239	3.2		239	3.2	
Automobiles	384	2.2		105	1.4		185	2.4		165	1.8		103	1.4		103	1.4		103	1.4		103	1.4		103	1.4		103	1.4	
Trucks	125	.7		22	.3		58	.8		85	.9		76	1.0		76	1.0		76	1.0		76	1.0		76	1.0		76	1.0	
Paper and manufactures, including books and other printed matter	244	1.4		124	1.7		157	2.1		158	1.7		168	2.2		168	2.2		168	2.2		168	2.2		168	2.2		168	2.2	
Paper and manufactures	184	1.1		101	1.4		118	1.6		120	1.3		121	1.6		121	1.6		121	1.6		121	1.6		121	1.6		121	1.6	
Books and other printed matter	60	.3		23	.3		39	.5		38	.4		47	.6		47	.6		47	.6		47	.6		47	.6		47	.6	

See footnotes at end of table.

Table 7. - Haiti: Imports,^{1/} by principal groups, subgroups, and commodities, in specified fiscal years, 1929 to 1938^{2/} - Continued

Commodity group, subgroup, or commodity ^{4/}	(Value in thousands of U. S. dollars) ^{3/}					
	1929		1932		1936	
	Value	Percent of total imports	Value	Percent of total imports	Value	Percent of total imports
Tobacco and manufactures	120	8	86	1.1	105	1.4
Cigarettes	81	.5	74	1.0	30	.4
Wood and manufactures (including rattan, bamboo, straw, etc.)	540	3.1	164	2.2	238	3.1
Boards, planks, and beams	390	2.3	130	1.7	185	2.4
Hides and skins and manufactures	352	2.1	155	2.1	140	1.8
Boots, shoes, and slippers	195	1.1	73	1.0	67	.9
Rubber and manufactures	184	1.1	91	1.2	109	1.4
Tires and tubes for vehicles	77		77		90	1.2
Stones, earths, cement, and products	311	1.8	109	1.5	157	2.1
Glass and glassware	75	.4	31	.4	19	.9
Cement	167	1.0	50	.7	54	.7
Earthenware, porcelain, clay, and pottery	42	.2	22	.3	23	.3
Stones, earths, and manufactures	27	.2	6	.1	10	.2
All other products	663	3.8	252	3.4	342	4.5
					8/343	3.7
						357
						4.7

^{1/} General imports. Bullion and parcel post are included. Specie is excluded. Values are c.i.f., port of importation.^{2/} Fiscal years ended September 30.^{3/} The Haitian monetary unit - the gourde - is maintained at the 1:50 ratio of 5 gourdes to 1 U. S. dollar.^{4/} Classifications employed in this table are based on those given in the Haitian import statistics for 1938. Groups are ranked according to value in 1938.^{5/} Classified as "natural and artificial silk" only in 1936^{6/} Includes "radio receiving sets" beginning in 1936; not specifically mentioned before 1936.^{7/} Not shown separately.^{8/} The detail does not add to the total imports, and the "All other products" group has been adjusted accordingly.

Source: Compiled by the U. S. Tariff Commission from Annual Report of the Fiscal Representative, Haiti.

Composition. - Haitian imports consist of a wide variety of manufactured products and foodstuffs. The principal import groups are textiles and manufactures, foodstuffs, chemical and pharmaceutical products, machinery and apparatus, iron and steel and manufactures, and mineral oils. In 1938 these six groups accounted for 82 percent of all Haitian imports, in terms of value. Imports into Haiti, by principal groups, subgroups, and commodities, in specified fiscal years, 1929 to 1938, are shown in table 7.

Between 1929 and 1932 there was a sharp drop in the value of imports in all groups shown in table 7. Imports in all groups except foodstuffs, mineral oils, and hides and skins and manufactures, were larger in 1937 than in 1932 but were smaller than in 1929. Imports in all the principal groups declined in 1938 as compared with 1937. For the principal groups, the ratio of the value of imports in 1938 to that in 1929 were as follows: Textiles and manufactures, 74.5 percent; foodstuffs and beverages, 22 percent; chemical and pharmaceutical products, 60 percent; machinery and apparatus, 73 percent; iron and steel and manufactures, 34 percent; mineral oils, 39 percent; and cars, carriages, and other vehicles, and accessories, 29 percent.

In the decade 1929-38, textiles and manufactures, the leading Haitian import group, accounted in terms of value, for from one-fifth to two-fifths of all imports. The importance of this group in the total trade increased sharply during the decade, having risen (irregularly) from 21 percent in 1929 to 36 percent in 1938. This increase in percentage share is attributable largely to the declining

imports of foodstuffs; the value of imports of textiles in 1938 was only three-fourths as great as in 1929. Imports in the textiles group consist principally of cotton manufactures; in general, four-fifths or more of all textile imports fall into this classification. One of the most important of the items in the imports of cotton textiles is blue denim, which is worn by large numbers of the people. Other imported textiles include vegetable fibers other than cotton and manufactures (principally jute bags for packing coffee, sugar, and cacao), silk and manufactures, and wool, bristles, hair, and manufactures.

Perhaps the most significant feature of the Haitian import trade in the decade 1929-38 was the decline in the value and share of foodstuffs imported into the country. In 1929 foodstuffs constituted the most important group of imports. Valued at more than 6 million dollars, they represented 35 percent of the total. The ratio, however, declined to 18 percent in 1938, when such imports were valued at only 1.4 million dollars. Wheat flour, the most important item in the foodstuffs group, has customarily accounted for from two-fifths to one-half of all such imports. Other imported foodstuffs include fish and rice. The ratios of the value of imports of these commodities in 1938 to those in 1929 are as follows: Wheat flour, 18.5 percent; fish, 33.5 percent; rice, 12 percent.

Imports in the third ranking Haitian import group - chemical and pharmaceutical products - varied in share from 7 to 10 percent of total imports during the decade 1929-38. Soap, the principal product, generally accounted for about one-half of total imports in this

classification. Imports of machinery and apparatus (including agricultural machinery) constituted a more important part of total imports in 1938 (8 percent) than they did in 1929 (5 percent). Manufactures of iron and steel and mineral oils were not as important elements in the trade, their respective shares declining somewhat in 1938 as compared with 1929, while values were considerably lower (see table 7).

On the basis of value, the remaining seven Haitian import groups (exclusive of miscellaneous products) together represented 13.4 percent of total imports in 1938. Groups, imports of which constituted a smaller percentage of the total in 1938 than in 1929, were: Cars, carriages, and other vehicles; wood and manufactures; and hides and skins and manufactures. Groups in which imports were more important in 1938 than in 1929 were paper and manufactures, tobacco and manufactures (largely cigarettes), rubber and manufactures, and stones, earths, cement, and products (see table 7). Miscellaneous products, not included in the groups already discussed, accounted for 5 percent of the total value of imports in 1938.

Sources. - The United States is by far the major source of Haitian imports; in the decade 1929-38 it accounted for from one-half to seven-tenths of the total, in terms of value. In 1938, the principal suppliers of imports into Haiti, with the share of the total value supplied by each country, were the United States, 54 percent; the United Kingdom, 15 percent; Germany, 6 percent; and Japan, 5 percent. Other sources in that year included France, Belgium, Canada, and Italy. Imports into Haiti from selected

countries, in specified fiscal years, 1929 to 1938, have already been shown in table 5. More detailed data for 1937 are shown in table 6.

Although the United States maintained its position as the principal supplier of Haitian imports during the decade 1929-38, its share declined irregularly from 70 percent of the total in 1929 to 54 percent in 1938.^{1/} The value of purchases from the United States varied from 4.1 million dollars (1938) to 12 million dollars (1929). While the share of the United States declined, that of the United Kingdom and of Germany increased. Imports from the United Kingdom rose irregularly from 7 percent of the total in 1929 to more than 15 percent in 1938, the value of imports ranging from 687 thousand dollars (1932) to 1.6 million dollars (1937). Germany's share in the Haitian import trade, which was 4 percent in 1929 and 1932, increased to 7 percent in 1937, but declined to 6 percent in 1938. The value of imports from Germany varied from 313 thousand dollars (1932) to 756 thousand dollars (1929).

In 1929 France ranked second as a supplier of Haitian imports, with a share of 8 percent of the total value. Its share declined to 5 percent in 1936, the year in which the Franco-Haitian commercial convention was terminated, and in 1937 and 1938 amounted, respectively, to 2 and 3 percent.^{2/} The value of Haitian purchases from France during the decade ranged from 224 thousand dollars (1937) to 1.4 million dollars (1929).

^{1/} In the period 1924-28 the share of the United States ranged from 74 to 80 percent. Since the outbreak of war in Europe (September 1939) its share has again risen, reaching 73 percent in 1940.

^{2/} In the fiscal year 1938-39, the share of France rose to 5 percent.

Imports from Japan, which were less than 1 percent of the total in 1929 and 1932, increased to between 5 and 7 percent in the period 1936-38, notwithstanding the differential tariff imposed on goods from countries not purchasing specified quantities of Haitian products.^{1/} Italy has been a minor factor in the Haitian import trade, its share in the decade 1929-38 being somewhat under 1 percent of the total.

Imports into Haiti from other countries of Latin American are small. In 1937 they were valued at only 83 thousand dollars, or considerably less than 1 percent of total imports.

Japan was the principal source of Haitian imports of cotton manufactures in 1935, furnishing approximately three-fifths of the total, in terms of value. After that year, however, imports of cotton manufactures from Japan declined, and the United States became the chief supplier. In 1937^{2/} the United States supplied 37 percent of the value of cotton manufactures, the United Kingdom 36 percent, and Japan 20 percent. Imports in 1937 of vegetable fibers other than cotton and manufactures thereof, came from the United Kingdom (29 percent), Germany (16 percent), Belgium (15 percent), and the United States (14 percent).

The United States is by far the principal supplier of Haitian imports of foodstuffs; in the years 1935-37, three-fourths of such imports came from this country. Other sources in 1937 included

^{1/} The value of purchases from Japan varied from 17 thousand dollars (1929) to 643 thousand dollars (1937).

^{2/} The discussion of import commodities by countries of origin is based on statistics of the U.S. Department of Commerce. Data for years subsequent to 1937 are not readily available.

Canada, the Netherlands, and France. Almost all of the imports of wheat flour, and over 80 percent of those of meat and meat products in the years 1935-37 originated in the United States. In 1935 and 1936, the United States supplied more than two-thirds of the total imports of fish, and Canada approximately one-fourth. In 1937 Canada occupied first place with 56 percent, and the United States second place with 40 percent. More than four-fifths of all rice imported into Haiti in 1935-37 (in terms of value) came from the Netherlands.

Chemical and pharmaceutical products imported into Haiti in 1937 came chiefly from the United States (36 percent), France (23 percent), and Germany (22 percent). Imports of soap originate chiefly in the United Kingdom. In the period 1935-37 that country supplied approximately three-fourths or more of the value of such imports; other sources in 1937 included the Netherlands and the United States.

In the years 1935-37, the United States supplied more than two-fifths of the value of all imports of machinery and apparatus and iron and steel manufactures; nearly two-fifths of imports of mineral oils and of shoes; and practically all of the imports of motor vehicles, lumber, and tobacco and manufactures. Imports of agricultural machinery, tools, and implements in 1937 came from Germany (42 percent), the United Kingdom (33 percent), and the United States (20 percent). Germany was the second ranking supplier of machinery and apparatus and of iron and steel and manufactures in the 3 years 1935-37. Curaçao occupied second place in these years in the supply of mineral oils (approximately one-third); Czechoslovakia was the second most important source of shoes, with approximately one-quarter of the total value. In 1936 and 1937, Germany was the principal supplier of cement, furnishing over 90 percent of the total value.

United States Trade with Haiti

Commercial relations between the United States and Haiti have been altered considerably in the last few years by the growing diversification of Haitian production resulting in larger aggregate purchases of Haitian exports by the United States, and by the marked contraction of Haitian trade with Europe following the decrease in the price of coffee and the loss of markets after the outbreak of the war.

Coffee, the mainstay of the economy of Haiti and the leading commodity imported by the United States from that country, has been supplemented in recent years by the increased production for export of other commodities, particularly bananas and sisal. Both of these have accounted for an increasingly large share of all United States imports from Haiti, which in 1939 reached a value exceeding that in any other year of the period 1924-39. United States shipments of merchandise to Haiti, however, have been severely depressed in most recent years, principally because of the sharp decline in the price of coffee and the accompanying contraction in Haitian purchasing power. The European war also has seriously affected Haiti's commercial position, inasmuch as more than one-half of the total market for Haitian coffee was in belligerent countries. Shipments to the United States, therefore, have become of greatly increased importance to Haiti in the last 2 years. Moreover, because of the inability of Haiti to obtain supplies from customary European sources, exports to that country from the United States were larger in 1939 and 1940 than for a number of preceding years.

Trend of United States-Haitian trade.

The most notable feature of the trend of United States imports from Haiti in the last 15 years is the marked increase in the value of the trade after 1932. In 1939 merchandise imports from Haiti were 3 million dollars, or double average imports in the period 1924-28 (1.5 million dollars), and exceeded those in every year after the peak of 1920. Since the outbreak of the European war in September 1939, imports have continued to enter at the same high level (see table 8). Most of the recent increase in imports from Haiti is accounted for by the trade in coffee, bananas, and sisal, the combined value of which increased from only 200 thousand dollars in 1932 (or one-third of the total trade) to 2.7 million dollars in 1939 (or nine-tenths of the total). Because of this growth in imports, Haiti's participation in total United States imports from Latin America has increased materially in the last 7 years (see table 8).

The trend of United States exports to Haiti has differed considerably from that of imports therefrom. Exports, valued at 5.1 million dollars in 1939, recovered in that year only one-fifth of the decline that occurred between the period 1924-28 (average 12 million dollars) and 1935 (3.3 million dollars). The small increase in exports in 1939 - an increase that continued after the outbreak of the European war - was due at least in part to the enlarged program of public construction in Haiti (see table 8). The declining trend of shipments to Haiti until 1939 was the result principally of contracting world markets for, and declining prices of, Haiti's principal export products upon which Haitian buying power is preponderantly dependent. After 1933, Haiti's share in United States exports to Latin America as a whole was somewhat smaller than in most preceding years.

Table 8. - United States imports from and exports to Haiti,
1924-40, and in the first 12 months of the European war

(Value in thousands of dollars)					
Year	General imports			Exports (incl. reexports)	
	:Percent of total:			:Percent of total	
	Value	United States	Value	United States	
		imports from		exports to	
		Latin America		Latin America	
1924 -----	1,166 :	0.11	11,570 :	1.60	
1925 -----	2,060 :	.20	13,711 :	1.60	
1926 -----	1,379 :	.13	10,858 :	1.30	
1927 -----	1,247 :	.13	11,071 :	1.40	
1928 -----	1,567 :	.17	12,742 :	1.50	
1929 -----	1,445 :	.14	8,790 :	.97	
1930 -----	1,123 :	.17	7,104 :	1.10	
1931 -----	760 :	.16	4,822 :	1.50	
1932 -----	611 :	.19	4,005 :	2.10	
1933 -----	804 :	.25	3,595 :	1.70	
1934 -----	1,223 :	.33	3,436 :	1.10	
1935 -----	1,161 :	.25	3,250 :	.94	
1936 -----	1,818 :	.36	3,942 :	1.00	
1937 -----	2,896 :	.43	4,084 :	.71	
1938 -----	2,967 :	.65	3,642 :	.74	
1939 -----	3,031 :	.59	5,128 :	.90	
1940 ^{1/} -----	3,618 :	.58	4,618 :	.64	
12 mos. Sept.-Aug.:					
1938-39 -----	2,960 :	.63	4,549 :	.93	
1939-40 ^{1/} -----	3,076 :	.50	4,936 :	.67	
Percent change -	+3.9 :		+8.5 :		

^{1/} Preliminary.

Source: Compiled from official statistics of the U.S. Department of Commerce.

United States imports from Haiti.

Composition. - Raw materials, chiefly unmanufactured foodstuffs, constitute practically all of United States imports from Haiti. In 1939 coffee represented 46 percent of total imports, bananas 28 percent, and sisal 15 percent (a total of 89 percent). In 1929, the combined value of imports of these commodities represented only 14 percent of the total. Other substantial imports are cacao, goat and kid skins, cane sugar, and logwood; the trade in all of these, except sugar, has declined greatly since 1929 (see table 9).

Coffee. - Imports of Haitian coffee have increased extraordinarily in both quantity and value since 1932. In 1939, they reached a peak of 23 million pounds, valued at 1.4 million dollars, exceeding imports in any previous year. Imports of coffee from Haiti have increased principally because considerable effort has been made by the Haitian Government to improve the quality of that product marketed in the United States. Moreover, the supply of Haitian coffee available for sale in the United States has increased as a result of the much smaller quantities taken since 1935 by France, which was formerly the principal outlet.

Under the recent Inter-American Coffee Agreement (November 28, 1940) entered into by the United States and 14 coffee-producing countries in Latin America, the maximum quota of United States imports of coffee permitted entry from Haiti was set at approximately 36.4 million pounds, or 1.7 percent of the total quantity. The quota for Haiti permits a substantial increase in United States imports of coffee from

that country; this is of material significance to Haiti in view of the large markets in Europe lost as a result of the war.

Bananas. - United States imports of bananas from Haiti have likewise increased greatly, having risen from only a few thousand bunches in 1932 to more than 2 million bunches in 1939. The increased shipments of bananas are attributable to expanding production in Haiti after 1932 when the first large plantings were made. Since 1935 a United States company, under the terms of a contract with Haiti, has had the exclusive right to purchase and export Haitian bananas, most of which are shipped to the United States.

Sisal. - Haiti is virtually the only country in the Western Hemisphere producing sisal,^{1/} most of which comes from Java, Tanganyika, and Kenya. Though sisal has been grown in Haiti for many years, it is only in the last 10 years that production has become substantial. Shipments to the United States, which account for almost all the Haitian output, rose from a negligible quantity in 1929 to 6.3 million pounds in 1939.

Dutiable status of imports. - Most of the principal imports from Haiti are on the free list. The leading dutiable imports are cane sugar and castor beans, which together represented only 1.4 percent of all imports in 1939. Most of the imports of sugar from Haiti have

^{1/} Henequen, which is produced principally in Mexico, is similar to sisal; both are obtained from the leaves of two closely related but distinct species of the agave plant. Sisal is used chiefly for making wrapping twines and small ropes, and henequen principally for making binder twine.

been entered for refining and export with benefit of drawback; imports retained in the United States are subject to the full rate of duty (1.875 cents per pound on 96° sugar^{1/}), and the quantity permitted to be marketed is limited under the sugar quota system adopted in 1934. United States imports of castor beans, all but a small part of which come from Brazil, are dutiable at one-fourth cent per pound, having been reduced from one-half cent in the trade agreement with Brazil, effective January 1, 1936.

Under the trade agreement between the United States and the Republic of Haiti, effective June 3, 1935, the United States made tariff concessions affecting most of the products of special interest to Haiti.^{2/} The import duties on pineapples in crates were reduced from 50 cents per crate to 35 cents; on pineapples in bulk, from 1-1/6 cents each to 9/10 cent; on prepared and preserved guavas, not specially provided for, from 35 percent to 17½ percent; on mango pastes and pulps, and guava pastes and pulps, from 35 percent to 28 percent ad valorem; and on rum in containers holding 1 gallon or less, from \$5 to \$2.50 per proof gallon. The duty-free status of bananas, plantains, cacao, coffee, logwood, sisal, and ginger root was bound against change for the life of the agreement.

^{1/} Imports from Cuba, which supplies all but a small part of United States imports from foreign countries, are dutiable at the preferential rate of 0.9 cent per pound (96°).

^{2/} Most of these concessions, especially on free articles, have been repeated in subsequent agreements with other countries.

Table 9. - United States imports for consumption from Haiti of principal commodities, in specified years, 1929 to 1939

Commodity		1929	1932	1936	1937	1938	1939
	Unit	Quantity					
Coffee, raw or green	1,000 lbs.	867	200	4,373	11,849	18,113	23,102
Bananas, green or ripe	1,000 bunches	-	38	714	1,375	1,443	2,030
Sisal, unmanufactured	Tons	67	2,974	4,485	5,545	6,134	6,296
Cocoa or cacao beans	1,000 lbs.	3,655	1,963	3,697	3,059	2,421	2,617
Goat and kid skins, dry and dry-							
salted	do.	484	257	404	471	369	401
Cane sugar	do.	25	106	12,159	9,598	34,887	2,088
Logwood, crude	Tons	18,272	6,925	7,301	10,460	2,549	2,453
Castor beans	1,000 lbs.	404	14	34	13	818	327
Rum	1,000 pf.gals.	1/	1/	8	4	4	1
Molasses, not for human consum-							
tion	1,000 gals.	-	2,329	2,092	1,963	2,892	-
	Tariff status	Value (1,000 dollars)					
Coffee, raw or green	Free	185	21	310	847	1,027	1,405
Bananas, green or ripe	do.	-	10	357	682	686	857
Sisal, unmanufactured	do.	10	168	422	616	481	448
Cocoa or cacao beans	do.	295	61	196	194	97	98
Goat and kid skins, dry and dry-							
salted	do.	188	39	101	176	85	82
Cane sugar	Dutiable	1	1	125	99	355	35
Logwood, crude	Free	282	104	95	125	33	31
Castor beans	Dutiable	14	2/	1	2/	18	6
Rum	do.	1/	1/	29	15	3	4
Molasses, not for human con-							
sumption	do.	-	90	102	65	99	-
Imports of commodities shown		975	503	1,738	2,819	2,889	2,966
Total imports from Haiti		3/1,445	3/611	1,846	2,889	2,962	3,034
Principal imports (shown above) as percent of							
total value		67.5	82.3	94.3	97.6	97.5	97.8

1/ Not separately classified.

2/ Less than 500.

3/ General imports.

Source: Compiled from official statistics of the U.S. Department of Commerce.

United States exports to Haiti.

Haiti is predominantly an agricultural country, and United States shipments to the Republic consist chiefly of a wide variety of manufactured products. In 1939 the largest groups of the exports shown in table 10 were textiles (33 percent), machinery and vehicles (15 percent), and nonmetallic minerals, principally petroleum products (11 percent). Few of the leading individual commodities represent more than a small part of the total value; the most important of these are cotton cloth, wheat flour, gasoline, bleached cotton sheeting, motor trucks, and passenger cars (see table 11).

The value of aggregate exports to Haiti in 1938 and 1939 was materially below the level in 1929, and few of the principal exports have risen in the last 2 years to their predepression figure. The few which have equaled or exceeded in value exports in 1929 are cigarettes, jute bags, sugar mill machinery, and unbleached cotton drills and twills.

Table 10. - United States exports of domestic merchandise to Haiti by commodity groups, in 1938 and 1939

(Value in thousands of dollars)					
Commodity group	Value		Percent of total		
	1938	1939	1938	1939	
Animals and animal products, edible —:	158	201	4.4	4.0	
Animals and animal products, inedible :	39	42	1.1	.8	
Vegetable food products and beverages :	499	446	13.9	8.8	
Vegetable products, inedible ———:	174	215	4.8	4.2	
Textile fibers and manufactures ———:	1,279	1,681	35.5	33.1	
Wood and paper —————:	114	184	3.1	3.6	
Nonmetallic minerals —————:	247	559	6.9	11.0	
Metals and manufactures (except machinery and vehicles) ————:	236	494	6.6	9.7	
Machinery and vehicles —————:	498	772	13.8	15.2	
Chemicals and related products ———:	155	241	4.3	4.8	
Miscellaneous —————:	201	241	5.6	4.8	
Total —————:	3,600	5,076	100.0	100.0	

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 11. - United States exports (domestic merchandise) to total of principal commodities, in specified years, 1929 to 1939

Commodity	Unit of quantity	Value in thousands of dollars											
		1929	1932	1936	1937	1938	1939	1929	1932	1936	1937	1938	1939
Lard, including neutral lard	1,000 lbs.	3,113	464	546	74	512	78	621	70	912	70	912	84
Herring, salted, pickled, or dry-cured	do.	463	23	501	17	845	23	1	1	1	1	1	1
Wheat flour wholly of United States	1,000 bbls.	277	1,777	687	65	29	163	43	212	47	47	47	160
Wheat (196 lbs.)	do.	277	1,777	687	65	29	163	43	212	47	47	47	160
Other wheat flour	do.	277	1,777	687	65	29	163	43	212	47	47	47	160
Automobile tire casings	Thousands	6	84	3	41	3	46	2	37	4	4	4	56
Cigarettes	Thousands	26,940	71	12,108	29	24,435	60	29,140	73	30,375	73	30,375	76
Other tobacco manufactures	1,000 lbs.	1	3	94	43	83	41	56	31	28	31	28	15
Cotton manufactures:													
Cotton cloth, unbleached:													
Drills, twills, and steens	1,000 sq. yd.	4,159	4,15	4,127	22	131	15	386	26	408	26	408	33
Sheetings	do.	2,804	226	6,426	112	1,594	83	3,653	162	5,289	162	5,289	230
Onaburghs	do.	8	1	753	44	236	24	113	7	70	7	70	6
Cotton cloth, bleached, dyed, printed, and colored yarn fabrics	do.	11,438	1,473	11,808	784	7,241	751	10,959	927	13,565	927	13,565	1,167
Bags of jute	1,000 lbs.	267	28	360	22	635	40	378	24	838	24	838	63
Boards, planks and scantlings, softwoods:													
Southern pine, rough	1,000 feet	2,536	87	1,316	48	1,723	52	1,404	29	2,007	29	2,007	50
Southern pine, dressed	do.	3,433	135	1,816	68	1,609	55	1,544	42	1,981	42	1,981	64
Gasoline and other petroleum motor fuel	1,000 bbls.	5/37	5/317	5/27	54	17	59	31	85	135	85	135	304
Illuminating oil (kerosene)	do.	27	217	139	109	19	84	17	72	17	72	17	70
Gas oil and distillate fuel oil	do.	2	8	2	2	2	3	3	5	4	5	4	8
Lubricating oil, red and pale	do.	2	35	1	20	2	23	1	12	2	12	2	21
Petroleum coke	tons	-	-	-	-	-	-	1,083	24	-	24	-	-
Steel sheets, galvanized	1,000 lbs.	2/	2/	11	33	506	23	378	17	1,085	17	1,085	44
Metal drums and containers for oil, gas, and other liquids	-	2/	2/	-	21	-	32	-	39	-	39	-	47
Miscellaneous iron and steel manufactures	-	-	258	5	15	-	32	-	18	-	18	-	29
Stationary and portable engines, Diesel and semi-Diesel	Number	2	24	1	2	2	5	1	68	2	68	2	1
Radio accessories and parts	-	-	6	6	15	-	28	-	10	-	10	-	9
Sugar mill machinery	-	-	25	4	24	-	63	-	29	-	29	-	35
Motor trucks, buses, and chassis (new)	Number	1/67	1/63	28	104	104	73	95	74	183	74	183	152
Passenger cars and chassis (new)	do.	1/234	1/178	88	153	168	118	92	69	152	69	152	116
Automobile parts for replacement	-	-	57	29	37	-	32	-	32	-	32	-	51

See footnotes at end of table.

Table 11. - United States exports (domestic merchandise) to Haiti of principal commodities, in specified years, 1929 to 1939 - continued

Commodity	Unit of quantity	(Value in thousands of dollars)											
		1929		1932		1936		1937		1938		1939	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Ready-mixed paints, stains, and enamels	: 1,000 gals.	8/15	8/30	6	12	11	20	14	24	10	18	22	36
Laundry soap	: 1,000 lbs.	5,610	369	1,583	53	507	22	678	31	511	23	830	34
Metallic cartridges	: Thousands	2/3,828	1	8	2/	61	2	817	26	745	24	1	26
Miscellaneous articles ^{6/}	: -	-	50	-	21	-	48	-	58	-	68	-	74
Exports of commodities shown			6,018		2,850		2,580		2,734		2,529		3,241
Total exports to Haiti			8,574		3,941		3,872		4,025		3,600		5,076
Principal exports (shown above) as percent of total value			70.5		72.3		66.6		67.9		70.2		63.8

1/ Not separately classified.

2/ Other than cigars and cheroots, cigarettes, chewing tobacco, plug, and other smoking tobacco.

3/ Not over 500.

4/ Classified as "Drills and twills."

5/ Classified as "Gasoline, naphtha, and other finished light products."

6/ Data not strictly comparable for the series.

7/ May include some second-hand articles.

8/ Classified as "Other ready mixed paints."

9/ Quantity represents pounds.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Balance of payments between the United States and Haiti.

Most of the financial transactions between the United States and Haiti arise from the trade in merchandise. On merchandise account the value of exports to Haiti has long exceeded that of imports therefrom, but the amount of the export trade balance has diminished almost steadily in the last 15 years, having declined from 11.6 million dollars in 1925 to 1 million dollars in 1940.

Interest receipts from Haiti have regularly constituted a large item in the balance of payments between the United States and that country (see table 12). The regularity of receipts, until 1941, has been the result of the continued full payment of interest on Haitian dollar bonds. In February 1941 an accord between the United States and Haiti provided for postponement of payment of one-third of the interest due. Because of diminished United States holdings, reflecting the calling-in of bonds, the aggregate amount of interest received has declined steadily in the period shown in table 12. At the end of 1939 such holdings were estimated at 5.7 million dollars (par value).^{1/} Service on the dollar bonds of Haiti has been directly under the control of the United States, which has had supervision over Haitian finances as provided in the Convention of 1915. Security for the dollar bonds is a specific first charge upon the internal revenues and customs duties of the Republic,^{2/} and under the Convention, service on the bonds was allotted from such revenues by fiscal officers appointed

^{1/} U.S. Department of Commerce, The Balance of International Payments of the United States in 1939, p. 79.

^{2/} During the fiscal year ended Sept. 30, 1940, debt service amounted to 619 thousand dollars and represented 11.5 percent of total Haitian revenues; previously it had been as high as 30.5 percent of total revenues (1932).

by the United States Government. It is likely, however, that this arrangement will shortly be changed because of the agreement in principle recently reached between the United States and the Republic of Haiti.^{1/}

Bond-redemption and sinking-fund receipts on the dollar bonds were substantial before 1938. In that year, because of low government revenues accompanying the persistent low prices for Haiti's principal exports,^{2/} that country entered into an accord with the United States permitting a suspension of full amortization payments which previously had been paid in advance of schedule. The original period of suspension was subsequently extended to September 30, 1941.

Statistics of the income from United States direct investments in Haiti (credit) and the movement of new capital into Haiti (debit) are not available. At times, however, they may have been substantial as compared with most other items in the balance of payments with Haiti. At the end of 1936 United States direct investments in Haiti were valued at 9.7 million dollars.^{3/} Some of these properties yield products which are shipped to the United States and thus are included (as a debit item) in the value of imports from Haiti. A part of the revenue obtained by the shipment of such products, among them sugar, sisal, and bananas, is retained in the United States and represents income on the investment in Haiti.

^{1/} See the section on "Natural resources and economy" for recent developments in the Haitian fiscal system.

^{2/} The decline in the world prices of coffee after the fall of 1937 led Haiti to reduce drastically its export tax on coffee so that Haitian producers might compete with others supplying the world markets.

^{3/} U.S. Department of Commerce, American Direct Investments in Foreign Countries - 1936, p. 12.

In the last few years the movement of capital into Haiti has consisted principally of credits extended by the United States Government. In 1938 Haiti launched an extensive program of public works, including the construction of bridges, irrigation and drainage works, and the improvement of roads. The program, which is to be carried out over a period of 3 or 4 years, is to be executed under the terms of a contract entered into between Haiti and a United States engineering company, and is being financed by the Export-Import Bank of the United States through an extension to the engineering company of a credit amounting to 5 million dollars (June 1938).^{1/} In June 1939 the Export-Import Bank extended to the United States company handling the shipment and sale of Haiti's bananas a credit of one-half million dollars for the purchase of construction material and equipment to be used in Haiti.

^{1/} It was announced on May 5, 1941, that an additional one-half million dollars would be made available to the engineering company to permit the completion of certain highway and irrigation projects now under construction. See the section on "Natural resources and economy."

Table 12. - Partial balance of payments between the United States and Haiti, 1929-38

Note: Net credit balances for the United States are indicated by +; net debit balances by -.

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Trade and service items:										
Merchandise exports to Haiti ^{1/}	8.8	7.1	4.8	4.0	3.6	3.4	3.3	3.9	4.1	3.6
Merchandise imports from Haiti ^{1/}	1.4	1.1	.8	.6	.8	1.2	1.2	1.8	2.9	3.0
Net merchandise exports to Haiti	+7.4	+6.0	+4.0	+3.4	+2.8	+2.2	+2.1	+2.1	+1.2	+0.6
Receipts from Haiti for shipping services ^{2/}	.3	.3	.3	.2	.1	.1	.1	.1	.1	.1
Expenditures of Haitian travelers in United States ^{2/}	.2	.1	.1	.1	.1	.1	.1	.1	.1	.1
Expenditures of United States travelers in Haiti ^{2/}	.2	.2	.2	.1	.3	.3	.2	.3	.2	.1
Interest receipts from Haiti	1.0	.8	.8	.7	.7	.7	.6	.6	.5	3/3
Net receipts from Haiti for services ^{4/}	+1.3	+1.0	+1.0	+0.9	+0.6	+0.6	+0.6	+0.5	+0.5	+0.4
Net receipts from Haiti on trade and service account ^{4/}	+8.7	+7.0	+5.0	+4.3	+3.4	+2.8	+2.7	+2.6	+1.7	+1.0
Capital items:										
Bond-redemption and sinking-fund receipts from Haiti ^{5/}	-	+0.5	+0.4	+0.4	+0.8	+0.6	+0.6	+0.8	+1.0	-
Net balance for items shown ^{6/}	+8.7	+7.5	+5.4	+4.7	+4.2	+3.4	+3.3	+3.4	+2.7	+1.0

^{1/} United States statistics, unadjusted.^{2/} Rough estimates.^{3/} Allowance made for repurchases of Haitian dollar bonds by foreigners.^{4/} Excluding return on U. S. direct investments in Haiti.^{5/} Bond-redemption receipts adjusted for repurchases by foreigners in all years; sinking-fund receipts in 1938 only.^{6/} Exclusive of return on direct investments (receipts) and new investments (payments) in Haiti.

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.



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